



AMERICAN COLLECTORS
association, inc.

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February 16, 1999

Andy Dodson
Reports Analyst
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Dear Andy Dodson:

As I discussed on the phone, attached is a copy of the complete response to the RFIA regarding the October Quarterly Report, which was sent via airborne and received by your office on February 5, 1999. As you indicated on the phone, it appears that you received and posted part of our response, but the letter and accompanying documentation was miscoded and or separated in your office. Without our complete response, I can certainly share your concerns that our response appears to be incomplete. Please share the enclosed materials with Lucy Derry. I hope this answer is sufficient and answers any questions you may have.

Thank you for your time and interest in resolving this issue.

Sincerely,

Paul Williams

Former ACPAC Treasurer

Enc.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 11, 1999

See Original
Response
RQ-3 Data
Feb 3, 1999
[Signature]

Joseph Martin, Treasurer
American Collectors Association, Inc.
(ACPAC)
4040 W. 70th Street
Minneapolis, MN 55435

Identification Number: C00034785

Reference: October Quarterly Report (7/1/98-9/30/98)

Dear Mr. Martin:

This letter is to inform you that as of February 10, 1999, the Commission ~~has not~~ received your response to our request for additional information, dated January 20, 1999. This notice requests information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to this request (copy enclosed).

The Commission notes the receipt of your amended October Quarterly Report (4/1/98-6/30/98) on February 5, 1999. The amendment discloses a change in the election designation (from General to Primary) for the \$1000 contribution (made on 4/8/98) to D'Amato for U.S. Senate. ~~Please explain why the election designation was changed.~~ If the contribution was redesignated to the Primary Election, ~~please provide the date of redesignation.~~ Additionally, you still need to correct the excessive contribution made to Senator D'Amato's committee. The excessive amount now appears to be \$1000. Please refer to the Schedule(s) B accompanying the enclosed letter. If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Lucy J. Denny on our toll-free number (800) 424-9530 or our local number (202) 694-1130.

Sincerely,

[Signature]
John D. Gibson

Assistant Staff Director
Reports Analysis Division

Enclosure

SHIPMENT TRACKING REPORT

Airbill Number: 0003362792974

02/16/99 at 09:27:59 AM PT



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Shipper

AMERICA COLLECTORS ASSOC
 4040 W 70TH ST
 MINNEAPOLIS, MN 55435
 PAUL WILLIAMS 612-926-6547

Receiver

FEDERAL ELECTION
 COMMISSION
 999 E STREET N W
 WASHINGTON, DC 20463
 LUCY J DENNY 202-219-3420

Shipment Detail

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ZIP CODE (Required) 55435	Phone Number 612-926-6547	<input type="checkbox"/> Bill 3rd Party Airborne Customer account no.		
Sent by (Name/Dept) Paul Williams		<input type="checkbox"/> Paid In Advance Check No. 10-40-52500-0000		
TO (Company) Federal Election Commission		Billing Reference will appear on invoice		
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City Washington	State DC	NO. OF PKGS. 1 <input type="checkbox"/> Insured <input checked="" type="checkbox"/> CHECK IF <input checked="" type="checkbox"/> LETTER <input type="checkbox"/> EXPRESS		
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February 3, 1999

Lucy J. Denny
Reports Analyst
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Dear Lucy Denny:

This letter is in response to your inquiry of January 20, 1999 regarding possible excessive contributions made to Sen. Alphonse D' Amato's general re-election campaign by the American Collectors Association political action committee. As we discussed on the phone last week, I believe that the discrepancy was the result of typographical errors and a misunderstanding of the tallying regulations for candidate contributions.

When I started serving as ACPAC treasurer a few years ago, I was under the impression that campaign disbursements for re-election campaigns can be designated on the FEC report as being for re-election campaign, without specifying whether such a designation should be tallied for a general or primary election. Such a designation would be the same as tallying the check to the nearest election. As I have since learned, this "shorthand" policy only leads to confusion as to how the check should be tallied. This was not a problem in the past, as ACPAC rarely contributed more than \$4,000 to any one candidate, but the possibility of confusion over how to tally contributions will certainly increase as ACPAC continues to grow. Fortunately, we have just purchased a Capitol Hill PAC software program which forces the preparer of the FEC reports to designate whether a contribution is for a general or primary election. The software also flags any violation of campaign laws before a report is filed or a disbursement check is written. I believe that this system will help reduce the typographical errors that have occasionally occurred during our former system of writing all reports in long-hand and then typing up the reports. With this background in place, I believe I can discuss all contributions made to Sen. Alphonse D' Amato over the past five years and answer the questions you raised in your inquiry.

1. ACPAC's first contribution to Sen. Alphonse D' Amato during the past five years occurred on February 23, 1993. The contribution was made for \$1,000 and was designated on the check for the "1992 elections." A similar designation was made on the FEC report. Consequently, this contribution did not count for the 1998 election totals.

ACA's Political Action Committee

A copy of our report is filed with the Federal Election Commission and is available for perusal from the FEC, Washington, D.C. 20463

Mailing Address: American Collectors Association, Inc. • P.O. Box 39106 • Minneapolis, MN 55439-0106 • Tel. (612) 926-6547 • Fax (612) 926-1624

2. The first contribution for Sen. D'Amato's 1998 re-election was made on May 11, 1994. The check was for \$1,000 and the contribution on the check was designated as 1998 re-election and the designation on the FEC report was listed as re-election. It should be tallied to the primary election, leaving a total of \$1,000 tallied to the primary election at that time.
3. The next disbursement to his campaign was made on June 27, 1995 for \$1,000. The designation on the check was for the 1998 re-election and was marked on the FEC report as other: 1998 re-election. This should be tallied to the primary election, leaving a total of \$2,000 tallied to the primary election at that time.
4. On November 30, 1995, a contribution of \$2,000 was made to Sen. D'Amato's campaign. This time, however, the contribution was tallied to the general election, leaving a total of \$2,000 tallied to the primary election and \$2,000 to the general election at that time.
5. On April 26, 1996, a contribution of \$1,000 was made to Sen. D'Amato's re-election campaign. The check was designated to the "re-election campaign," but unfortunately was designated as a "general election" on the FEC report, instead of the primary election designation. (A corrected report is enclosed.) This leaves a total of \$3,000 designated for the primary election and \$2,000 for the general election at that time.
6. The next contribution occurred on November 27, 1996 for \$1,000. This contribution should be tallied as a primary election, but was tallied on the FEC report as a general election. (A corrected report is enclosed.) This leaves a total of \$4,000 designated for the primary election and \$2,000 for the general election at that time.
7. The next disbursement date was April 8, 1998 for a contribution of \$1,000. The contribution was designated on the check as being for the 1998 Primary Election, but was listed on the FEC report as being for the 1998 General Election. (A corrected report is enclosed.) This leaves a total of \$5,000 designated for the primary election and \$2,000 for the general election.)
8. The final contribution was made on July 22, 1998 for \$3,000. The designation on the check was for the 1998 General Re-election and it was correctly tallied on the FEC report for the general election. This leaves a total contribution of \$5,000 for the primary election and \$5,000 for the general election.

Shortly after the July 22, 1998 check was received by the D'Amato fundraising committee, their treasurer contacted me with questions about how the disbursements should be tallied since I did not explicitly indicate how the checks should be tallied on two letters to her. I explained

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how the contributions should be tallied. I presumed that everything made sense since I did not hear again from the campaign.

If at this time, you believe that I should notify the recipient and request a refund, I would certainly be glad to do so. (In the meantime, I have sent the campaign treasurer a letter explaining how the contributions should be re-tallied. (See attachment.)

First, effectively immediately, Joe Martin will be the new ACPAC treasurer and all correspondence should be directed to him.

The second issue relates to the previous statement. When I became ACPAC treasurer in 1994, I was informed that there was a discrepancy of \$379.03 between the amount reported to the FEC and the actual bank statement. The previous treasurer was unsure where the discrepancy came from and simply instructed me to carry the discrepancy forward as she had done. I should have contacted your office directly at that time, but I simply carried the discrepancy forward. Now that I am leaving as ACPAC treasurer, I would like to resolve this discrepancy as soon as possible for the new treasurer.

After considerable research, I believe I have discovered the origin of the discrepancy. As far as I can tell, this discrepancy was created on November 20, 1987, when Elizabeth Uppman, who served as ACPAC Treasurer at that time, transferred \$18,000 from the ACPAC checking account to a Fidelity U.S. Government Reserve Account which earned interest. On September 14, 1988, the total balance plus interest (\$21,817.00) was transferred back into the ACPAC checking account. ACPAC then paid federal and state taxes on the interest with a check from the ACPAC campaign contribution fund, but apparently did not disclose the full amount to the FEC report. Consequently, we have consistently reported \$379.03 more to the FEC than what we have in our actual bank account.

ACA's Federal Legislative Consultant Robert Royer discussed this discrepancy with Mr. Richard Ng on February 2 and Mr. Ng suggested that we prepare an updated FEC report with the correct information, and to check with you to see if there are additional paperwork requirements that must be met. Since Bob Royer discussed this issue with Mr. Ng after the 1998 year end FEC report was filed, the report (which you should have already received) does not reflect the discrepancy discussed above. I will wait to hear from you before I file an amended 1998 year end report to ensure that I have completed all the necessary paperwork. This amended report will be filed using our traditional method of typing out the reports, since we cannot use the Capitol Hill PAC software system, until I hear from you on how to handle this discrepancy.

February 3, 1999

To reduce the possibility of further FEC inquiries or questions, I would appreciate it if you could send any information on upcoming seminars on FEC requirements to Joe Martin, so that he can be fully aware of and compliant with all FEC rules and regulations regarding political action committees.

Thank you for your time and interest in resolving this issue.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Paul Williams', with a long, sweeping horizontal stroke extending to the right.

Paul Williams


ACPAC Treasurer

Enc.

Federal Election Commission

ENVELOPE REPLACEMENT PAGE
FOR INCOMING DOCUMENTS

The Commission has added this page to the end of this filing to indicate how it was received.

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